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FAS Prague Facilitates U.S. Distilled Spirits Quick Market Access

Report Categories:

Export Accomplishments - Other

Beverages

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Report Highlights:

FAS Prague facilitates U.S. distilled spirits quick market reentry after major counterfeit scheme closes Czech market for thirteen days.

General Information:

In September 2012, after several cases of counterfeited alcohol poisoning resulted with consumer deaths, the Ministry of Health issued an extraordinary measure that banned national sales of all alcoholic beverages that exceed 20 percent alcohol by strength. As cases of poisoning increased and nearby countries linked problems to imported Czech alcoholic beverages, Czech national authorities imposed a blanket ban on exports of product exceeding the 20 percent alcohol as well as implemented a recall of all such product from the domestic market. The national ban on sales lasted 13 days, from September 14-26. On September 27, 2012, sales resumed.

FAS Prague carefully monitored the situation, collected and relayed real-time information to the USDA Office of Agreements and Scientific Affairs, the Alcohol and Tobacco Tax and Trade Bureau of the U.S. Department of the Treasury, the U.S. Trade Representative Technical Trade Barrier office, and U.S. industry represented by the U.S. Distilled Spirits Council, inclusive of emerging governmental positions, determinations and translations of proposed requirements that would impact U.S. suppliers of alcoholic beverages in the market. FAS Prague then coordinated Washington's guidance within the Embassy and actively advocated with Czech regulatory authorities in order to neutralize efforts to impose across-the-board restrictions on alcoholic beverages not complicit with the domestic problem. New national legislation was eventually put into place which led to the lifting of the sales ban and allowing for trade to resume.

Under the new legislation the Czech State Securities Printing Company was instructed to print new alcohol stamps that could only be applied after the product was certified as conforming to a new Government Regulation, No. 317/2012 for spirits, which required a certified origin and a test certificate issued by an accredited laboratory.

The US Distilled Spirits Council and ATF officials credit FAS Prague's diligence for the distilled spirits market's quick reopening after such a major health challenge. U.S. distilled spirits sales topped US\$7 million last year, near double the level of a year earlier.